

AR32

FIVE NEW EXCITING PRODUCTS

In our never ending efforts to provide consumers with a wide selection of premium quality wines, it is with great pleasure that we announce the introduction, initially in British Columbia, of:

BEAU SEJOUR COLD DUCK

Probably the most oddly named wine in history, "Cold Duck" originated in Germany where, after festivals or banquets, all remaining wines were blended and the result called "Kalte Ende". In North America this came to be known as "Kalte Ente" or "Cold Duck", with the product actually being a blend of champagne or white sparkling wine and red still or sparkling wine.

Beau Séjour Cold Duck is a blend of our delightful Beau Séjour Canadian Champagne and a burgundy-type wine... an excitingly sparkling, medium dry, light flavoured premium wine suitable for any occasion.

DUET SPARKLING ROSE AND SPARKLING WHITE

Two fun-filled additions to our fine selection of premium wines. These two new Duets, available in 26 ounce bottles, are very light, lively, refreshing, truly sparkling wines, ideally suited for entertaining, particularly enjoyable with meals, and delightful at any time.

MUANA KAI

The inspired blending of a light grape wine with tropical fruit flavours brings to Canada a completely new and unique experience in wine. With the intriguing flavour and bouquet of tangy pineapple, succulent guava, tart lemon, sunny orange and exotic passion fruit all blended with a smooth, light, grape wine, Muana Kai can be served at any time... well chilled by itself, deliciously refreshing with any mixer or as a punch base, delightful on the rocks.

BEAU SEJOUR RED EXTRA DRY

A further complement to our popular line of premium wines, Beau Séjour Red Extra Dry has been developed to satisfy the awakening demand for lighter, drier Canadian wines. An ideal complement to meals but suitable any time, Beau Séjour Red Extra Dry is a light, refreshing, slightly drier-than-usual red wine with a distinctive after taste and bouquet. Available in 26 oz. and gallon-size bottles.

It is anticipated that these products will become available in British Columbia Liquor Stores at the end of August 1970, priced (excluding Social Services Tax) as follows:

Beau Séjour Cold Duck	— 26 oz. @ \$2.50
Duet Sparkling Rosé and White	— 26 oz. @ \$1.45
Muana Kai	— 26 oz. @ \$1.15
Beau Séjour, Red Extra Dry	— 26 oz. @ \$1.00, 160 oz. @ \$5.40

If you have difficulty obtaining any of these new products, please enquire with the Vendor (manager) of your nearest B.C. Liquor Control Board Store.

*Growers' Wine
Company Limited*

File

INTERIM REPORT TO SHAREHOLDERS

*for the six months
January to June 1970*

To the Shareholders

This interim report covers the operation of the company for the first six months January to June 1970.

SALES

During the first six months of 1970, net sales dollars have shown an increase of 16.5% over the corresponding period in 1969.

EARNINGS

Net operating earnings of \$104,000 after provision for income taxes, are substantially ahead of 1969 mid-year adjusted earnings of \$19,000. This increase reflects not only our rising sales but also our gradual shift to more profitable products (such as the new products described at the back of this report), the initial success of our program to sell off non-productive assets, and improved overall corporate adjustment to our ever expanding volume.

Net operating earnings in the second half of 1970 should continue to reflect the favourable effect of the programs noted above, although obviously to a lesser degree relative to 1969 results than at this mid-year point.

MANAGEMENT

In mid-July, I was appointed President of S. & W. Fine Foods, Inc., San Francisco, California, another company in the Imperial Tobacco of Canada group. To succeed me, I am pleased to announce that at the most recent meeting of your Board of Directors, Mr. H. Derek Haxell has replaced me on the Board and has been appointed President. Mr. Brian H. Roberts will be continuing in his vital role as Chairman of the Board.

Mr. Haxell brings to the presidency more than twenty years experience in all phases of marketing. He is very familiar with the Canadian wine industry and was a consultant to our company before he joined us in 1968. Prior to his present appointment he was Manager of Marketing Services.

L. L. ANDERSON, JR.
President

GROWERS' WINE COMPANY LIMITED

and wholly-owned subsidiaries

INTERIM CONSOLIDATED EARNINGS

for the six months ended June 30, 1970

	000's omitted	
	1970	1969
Gross Sales	\$ 2589	\$ 2213
Net Sales	\$ 2002	\$ 1719
Gross Margin on Sales	\$ 928	\$ 742
Earnings before Income Taxes	\$ 217	\$ 39
Income Taxes (see note)	113	20
Net Operating Earnings before Extraordinary Items	\$ 104	\$ 19
Extraordinary Items — Net Gain on Disposal of Fixed Assets	200	
Net Earnings including Extraordinary Items	\$ 304	\$ 19
Earnings per common share before extraordinary items after providing for dividends on Class "A" shares	8.0¢	1.1¢
Earnings per common share including extraordinary items after providing for dividends on Class "A" shares	24.4¢	1.1¢

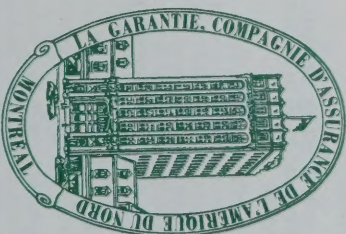
NOTE: The 1969 Income Taxes and Net Operating Earnings have been adjusted so as to be comparable to 1970.

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the six months ended June 30, 1970

	000's omitted	
	1970	1969
SOURCE OF FUNDS		
Net operating earnings	\$ 104	\$ 19
Charges against earnings not involving an outlay of funds	71	82
Sale of fixed assets	251	
	\$ 426	\$ 101
APPLICATION OF FUNDS		
Additions to fixed assets	\$ 195	\$ 205
Mortgage receivable	175	
Dividends Paid	6	6
	\$ 376	\$ 211
Decrease (increase) in working capital deficiency	\$ 50	\$ (110)

The above statements are unaudited and subject to year-end adjustments.



INCORPORÉE EN 1851

LICENCE FÉDÉRALE EN 1872

FIDÉLITÉ ET CAUTIONS,
INCENDIE, AUTOMOBILE,
RISQUES DIVERS

BILAN INTÉRIMAIRE

30 JUIN, 1969

The Guarantee Company of North America

INTERIM STATEMENT — SIX MONTHS TO JUNE 30th, 1969

(With Comparative Figures for same period in 1968 and 1967)

(Subject to Audit at end of year)

REPORT TO THE SHAREHOLDERS

The Directors submit for your information an unaudited statement for the six months ended 30th June, 1969, with comparative figures for the preceding two years.

During the period Net Premiums written amounted to \$3,412,512, an increase of 36% over the same period in 1968. This increase in Net Premiums written necessitated the setting up of an additional \$772,513 in Premium Reserves and was, to a large extent, responsible for the Underwriting Loss of \$65,938.

No provision has been made for Income Tax as the Company still has a Loss carry forward from previous years' operations.

Due to the continued soft Bond market, it was necessary to increase the Investment Reserve by \$348,000. Investment Income for the period stood at \$312,004, an increase of 76.7% over 1968. Net per share profit for the period was \$1.84, an increase of 102.2% over 1968 and about the same as 1967.

Operating expenses at 44.2% of net Written Premiums have decreased by 3.4 percentage points over the same period last year.

Dividends paid to June 30th, 1969 were .50¢ and a further .20¢ is payable on 15th August, 1969 to Shareholders of record 1st August, 1969.

On behalf of the Board of Directors
G. W. Millar, President

STATEMENT OF PROFIT AND LOSS

	1969	1968	1967
Net Premiums Written	\$3,412,512	\$2,504,679	\$1,236,840
Increase in Premiums and Guarantee Reserves	772,513	550,188	177,236
Premiums Earned	2,639,999	1,954,491	1,059,604
Claims and Claims Expenses Incurred	1,196,409	816,207	340,928
Underwriting Expenses	1,509,528	1,193,163	603,774
	2,705,937	2,009,370	944,702
Underwriting Gain (Loss)	(65,938)	(54,879)	114,902
Net Investment Income	312,004	176,526	154,391
	246,066	121,647	269,293
Provision for Income Taxes	—	—	25,000
Net Profit	246,066	121,647	244,293
Earned per Share	1.84	.91	1.83
Paid per Share	.50	.50	—

BALANCE SHEET
ASSETS

	1969	1968	1967
Cash	\$ 234,760	\$ 314,731	\$ 57,195
Bonds, Stocks and Term Deposits at cost	8,367,827	7,209,110	6,728,863
Mortgages	365,507	388,145	320,809
Premiums Receivable (less reserve)	1,301,100	863,462	687,222
Due from other Insurance Companies	166,330	122,612	152,710
Accrued Interest	128,032	89,083	81,645
All other Assets	107,756	70,668	62,789
	<u>\$10,671,312</u>	<u>\$9,057,811</u>	<u>\$8,091,233</u>

LIABILITIES

	1969	1968	1967
Provision for Outstanding Claims and Claims Expense (including provision for unreported claims)	\$ 1,691,079	\$1,653,913	\$1,398,537
Reserves for Unearned Premiums and Guarantee Bonds	3,555,324	2,444,244	1,593,746
Due Other Insurance Companies	504,452	389,032	663,385
Held in Trust for Reinsurers	192,327	110,472	132,803
Premium Taxes payable	24,702	46,943	42,364
All Other Liabilities	33,023	78,582	24,191
	<u>\$ 6,000,907</u>	<u>\$4,723,186</u>	<u>\$3,855,026</u>
Reserve for Investments and other Contingencies	1,200,000	867,500	567,500
Capital	668,600	668,600	668,600
Surplus	2,801,805	2,798,525	3,000,107
	4,670,405	4,334,625	4,236,207
	<u>\$10,671,312</u>	<u>\$9,057,811</u>	<u>\$8,091,233</u>

STATEMENT OF EARNED SURPLUS FOR HALF YEAR

	1969	1968	1967
Balance at beginning of year	\$ 2,971,719	\$2,743,738	\$2,699,339
Profit for half-year	246,066	121,647	244,293
Income Tax (U.S.)	(1,120)	—	—
Transferred from Voluntary Pension Reserve	—	—	55,500
Transferred from Reserve for O/S Cheques	—	—	975
Transferred to Reserve for Investments and Other Contingencies	(348,000)	—	—
Dividend	(66,860)	(66,860)	—
	<u>\$ 2,801,805</u>	<u>\$2,798,525</u>	<u>\$3,000,107</u>

La Garantie, Compagnie d'Assurance de l'Amérique du Nord

BILAN INTÉRIMAIRE POUR LES SIX MOIS AU TRENTE JUIN 1969

(avec chiffres comparatifs pour 1968 et 1967)

(Sujet à vérification à la fin de l'année)

RAPPORT AUX ACTIONNAIRES

Les administrateurs ont le plaisir de vous soumettre le rapport non vérifié du semestre se terminant le 30 juin 1969, avec chiffres comparatifs des deux années précédentes.

Les primes nettes écrites durant cette période se chiffrent à \$3,412,512, une augmentation de 36% sur la même période de 1968. Cet accroissement de primes nettes écrites a nécessité l'établissement d'une réserve additionnelle de \$772,513, sous le titre de réserve de primes et il est en grande partie responsable du déficit de \$65,938, résultant des opérations de la compagnie sans tenir compte des intérêts sur les investissements.

Il n'a été tenu aucun compte d'une réserve pour impôt, la compagnie ayant à reporter le déficit des années précédentes.

La réserve d'investissements a subi une augmentation de \$348,000, parce que le cours des Bons continue d'être incertain. Le revenu d'investissements s'est maintenu durant cette période à \$312,004, une augmentation de 76.7% sur 1968. Et le bénéfice net par action fut de \$1.84, une augmentation de 102.2% sur 1968, et pratiquement le même qu'en 1967.

Le pourcentage de 44.2% de frais d'exploitation, par rapport aux primes nettes écrites, accuse une diminution de 3.4% sur la même période de l'année précédente.

Les dividendes payés au 30 juin 1969 s'élevèrent à .50¢ et un dividende supplémentaire de .20¢ deviendra payable le 15 août 1969 aux actionnaires inscrits aux livres, le 1er août 1969.

Pour le Conseil d'Administration
G. W. Millar, Président

ÉTAT DE PROFITS ET PERTES

	1969	1968	1967
Primes écrites nettes	\$3,412,512	\$2,504,679	\$1,236,840
Augmentation de la réserve pour primes et cautions	772,513	550,188	177,236
Primes gagnées	2,639,999	1,954,491	1,059,604
Réclamations et dépenses de réclamations encourues	1,196,409	816,207	340,928
Frais d'examen des risques	1,509,528	1,193,163	603,774
	2,705,937	2,009,370	944,702
Profit d'exploitation (Perte)	(65,938)	(54,879)	114,902
Revenu de placements nets	312,004	176,526	154,391
	246,066	121,647	269,293
Réserve pour impôts (E.U.)	—	—	25,000
Profit net	246,066	121,647	244,293
Gain par action	1.84	.91	1.83
Payé par action	.50	.50	—

BILAN ACTIF

	1969	1968	1967
En caisse	\$ 234,760	\$ 314,731	\$ 57,195
Valeurs négociables au prix coûtant	8,367,827	7,209,110	6,728,863
Prêts hypothécaires	365,507	388,145	320,809
Primes à recevoir (moins réserve)	1,301,100	863,462	687,222
Dû des autres compagnies d'assurance	166,330	122,612	152,710
Intérêt couru	128,032	89,083	81,645
Tous autres actifs	107,756	70,668	62,789
	\$10,671,312	\$9,057,811	\$8,091,233

PASSIF

	1969	1968	1967
Réclamations en cours et frais de réclamations (incluant réserve pour réclamations non rapportées)	\$ 1,691,079	\$1,653,913	\$1,398,537
Réserves pour primes non gagnées et pour garantie de cautionnements	3,555,324	2,444,244	1,593,746
Dû aux autres compagnies d'assurance	504,452	389,032	663,385
Dépôts des réassureurs détenus en fiducie	192,327	110,472	132,803
Taxes à payer sur primes	24,702	46,943	42,364
Autres dettes	33,023	78,582	24,191
	\$ 6,000,907	\$4,723,186	\$3,855,026
Réserve pour placements et autres éventualités	1,200,000	867,500	567,500
Capital	668,600	668,600	668,600
Surplus	2,801,805	2,798,525	3,000,107
	4,670,405	4,334,625	4,236,207
	\$10,671,312	\$9,057,811	\$8,091,233

ÉTAT DE SURPLUS D'EXPLOITATION POUR LES 6 PREMIERS MOIS

	1969	1968	1967
Solde au début de l'année	\$ 2,971,719	\$2,743,738	\$2,699,339
Profits pour les 6 premiers mois	246,066	121,647	244,293
Impôts (E.U.)	(1,120)	—	—
Transféré de la réserve volontaire pour retraite	—	—	55,500
Transféré de la réserve pour chèques en circulation	—	—	975
Transféré à réserve pour placements et autres éventualités	(348,000)	—	—
Dividende	(66,860)	(66,860)	—
	\$ 2,801,805	\$2,798,525	\$3,000,107

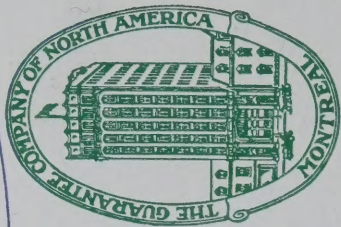
INTERIM REPORT

JUNE 30th, 1969

INCORPORATED IN 1851

FEDERALLY LICENSED IN 1872

FIDELITY AND SURETY BONDS
FIRE AND CASUALTY INSURANCE



The Guarantee Company
of North America

THE GUARANTEE COMPANY OF NORTH AMERICA



Interim Report June 30th, 1980

To the Shareholders

The underwriting profit has been disappointing during this first half of 1980, principally as a result of deterioration in the Habitational and Automobile lines. During the last quarter of 1979 it was evident that inadequate rates of premium, still restricted by the governmental Anti-Inflation program, would depress the experience of the Company when claim costs already were being escalated by very strong inflationary trends. Necessary premium rate adjustments in the insurance industry are slow in producing a correction as premiums charged are usually for the succeeding twelve months. Governmental interference through price controls disrupts the normal cyclical trends in this competitively-regulated industry and when the downside is being experienced no bureaucratic department rushes to the assistance of the business.

The income before taxes of \$3,051,000 for this first six months is down from \$4,389,000 for the corresponding period of last year and earnings per share \$11.46 as compared with \$16.65.

Adjustments to the rates of premiums of Habitational and Automobile underwriting will produce slowly a corrective trend and, within the industry's competitive market, may result in a reduction of the planned volume of written premiums. The probability of attaining the profit planned for 1980 is somewhat lessened.

President

Montreal, July 29, 1980

STATEMENT OF INCOME Six months ended June 30, 1980 (Unaudited)

	1980 (thousands of dollars)	1979 (thousands of dollars)
GROSS PREMIUMS WRITTEN	22,871	20,569
NET PREMIUMS WRITTEN	18,957	16,658
REVENUE		
Premiums earned	16,763	14,944
Investment income and change in value of investments	2,350	2,255
EXPENSES		
Claims incurred	19,113	17,199
Commissions, premium taxes and expenses	10,238	8,230
	5,824	4,580
Income before taxes	16,062	12,810
Income taxes — current and deferred	3,051	4,389
	748	1,481
Income before undernoted	2,303	2,908
Federal A.I.B. provision adjustment	—	367
NET INCOME	2,303	3,275
Earnings per common share	11.46	16.65

STATEMENT OF CHANGES IN FINANCIAL POSITION Six months ended June 30, 1980 (Unaudited)

	1980 (thousands of dollars)	1979 (thousands of dollars)
SOURCE OF FUNDS		
Funds from operations (before depreciation, and adjustments to provisions for deferred income tax and Federal A.I.B. 1979 requirements)	2,467	3,441
Increase in liabilities	1,400	1,604
	3,867	5,045
USE OF FUNDS		
Increase in investments	824	3,122
Increase in other assets	2,511	1,484
Dividends	532	439
	3,867	5,045

AR32



**Rapport périodique
le 30 juin 1980**

À nos actionnaires

Les profits de souscription réalisés au cours de la première moitié de l'année 1980 furent décevants, ceci a été causé principalement par la détérioration des secteurs Automobile et Résidentiel. Il était évident, au cours du dernier trimestre de 1979, que les taux de primes inadéquats, toujours sous l'influence du programme gouvernemental Anti-inflation, détérioreraient les résultats de la Compagnie, alors que les coûts des sinistres étaient déjà à la hausse dus à un courant inflationnaire très fort. Dans l'industrie d'assurance, l'ajustement nécessaire des taux de prime est lent à produire un correctif puisque la prime chargée est normalement pour les prochains douze mois. L'ingérance gouvernementale par la voie d'un contrôle sur les prix interrompt les tendances cycliques de cette industrie compétitive et lorsque les mauvais jours arrivent, aucun département bureaucratique ne vient à l'aide de l'industrie.

Le revenu avant impôts de \$3,051,000 pour les premiers six mois est moindre que celui de \$4,389,000 pour la période correspondante de l'année précédente; le bénéfice par action est de \$11.46 comparativement à \$16.65.

Les ajustements dans les taux de prime des secteurs Automobile et Résidentiel produiront lentement une tendance corrective; cependant, dans un marché compétitif il peut en résulter un volume de prime moindre que celui projeté. Les probabilités d'atteindre les profits planifiés pour l'année 1980 sont quelque peu diminués.

Le Président

Le président

Montréal, le 29 juillet 1980

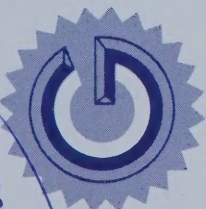
ÉTAT DES BÉNÉFICES
Six mois terminés le 30 juin 1980
(Non vérifié)

	1980 (en milliers de \$)	1979
PRIME BRUTES SOUSCRITES	<u>22,871</u>	<u>20,569</u>
PRIMES NETTES SOUSCRITES	<u>18,957</u>	<u>16,658</u>
REVENUS		
Primes acquises.....	16,763	14,944
Revenu de placements et changement dans la valeur des placements.....	<u>2,350</u>	<u>2,255</u>
	<u>19,113</u>	<u>17,199</u>
DÉPENSES		
Sinistres encourus.....	10,238	8,230
Commissions, taxes sur primes et dépenses.....	<u>5,824</u>	<u>4,580</u>
	<u>16,062</u>	<u>12,810</u>
Revenu avant impôts.....	3,051	4,389
Impôts sur le revenu — courants et reportés.....	<u>748</u>	<u>1,481</u>
Revenu avant poste sous-mentionné.....	<u>2,303</u>	<u>2,908</u>
Ajustement de provision — loi Fédérale anti-inflation.....	<u>—</u>	<u>367</u>
BÉNÉFICE NET	<u>2,303</u>	<u>3,275</u>
Bénéfice par action.....	11.46	16.65

ÉTAT DE L'ÉVOLUTION DE LA SITUATION FINANCIÈRE DE L'EXERCICE
Six mois terminés le 30 juin 1980
(Non vérifié)

	1980 (en milliers de \$)	1979
PROVENANCE DES FONDS		
Fonds des opérations (avant dépréciation, et ajustement aux provisions des impôts sur le revenu reportés et les exigences de la loi Fédérale anti-inflation pour 1979).....	<u>2,467</u>	<u>3,441</u>
Augmentation du passif.....	<u>1,400</u>	<u>1,604</u>
	<u>3,867</u>	<u>5,045</u>
AFFECTATION DES FONDS		
Augmentation des placements.....	824	3,122
Augmentation d'autres actifs.....	<u>2,511</u>	<u>1,484</u>
Dividendes.....	<u>532</u>	<u>439</u>
	<u>3,867</u>	<u>5,045</u>

GUARANTEE



Interim Report
June 30th, 1979

To the Shareholders

This first six-months period of 1979 has provided a net income of \$3,275,000 while for the same period of 1978 it was \$2,228,000. After dividends on preferred shares, the earnings per common share for this period in each year were \$16.65 and \$11.43 respectively.

When comparing premium income it must be recalled that during the second quarter of 1978 a substantial return of premiums was required by the government of Quebec when that province took over the bodily injury portion of automobile insurance. When the disruption caused by this intrusion is taken into account, it reduces to a modest figure this year's apparent increase in premiums. The claims ratio to earned premiums still persists at 55% and is slightly less favourable than that for the same period in 1978.

Within the general insurance industry a detrimental practice is being carried on today: in spite of persistently high inflation and increased claims frequency and cost, agents, brokers, underwriters and reinsurers in their competition for a dollar volume are slashing rates of premiums to a degree that creates misunderstanding in the minds of the insuring public and will produce disastrous underwriting results. This paradox can end only with corrective measures within the next two years. If today's inadequate premiums are to provide for tomorrow's claims cost, escalated by inflation, who will pay for the short-fall?

As mentioned in the previous interim report, our company can not escape being affected by these problems; however, our resourceful staff is resolved to resist the distressing trend and to strive for a continuing viable operation.

Salerno

President

Montreal, July 24, 1979

STATEMENT OF INCOME
Six months ended June 30, 1979
(Unaudited)

	1979 (thousands of dollars)	1978 (thousands of dollars)
GROSS PREMIUMS WRITTEN	20,569	16,173
NET PREMIUMS WRITTEN	16,658	12,352
REVENUE — Premiums earned	14,944	12,493
— Investment income	1,689	1,557
— Gain on value of shares	566	60
TOTAL REVENUE	17,199	14,110
EXPENSES — Claims incurred	8,230	6,477
— Commissions, premium taxes and expenses	4,580	4,387
INCOME before taxes	12,810	10,864
Income taxes — current and deferred	4,389	3,246
INCOME before undernoted	1,481	1,018
Federal A.I.B. provision adjustment	2,908	2,228
NET INCOME	367	—
	3,275	2,228
Earnings per common share	16.65	11.43
Dividends paid per share — preferred	.40	.23
— common	1.50	6.05
— common - out of 1971 capital surplus on hand	—	18.49

BALANCE SHEET
As at June 30, 1979
(Unaudited)

	1979 (thousands of dollars)	1978 (thousands of dollars)
ASSETS		
Cash	446	3
Receivables	8,326	6,570
Prepaid expenses	48	3
Investments (Cost: \$45,954; 1978 \$40,406)		
(Market Value: \$50,157; 1978 \$41,665)	46,522	39,812
Office equipment at depreciated cost	151	93
Deferred premium acquisition costs	3,107	2,505
	58,600	48,986
LIABILITIES		
Bank indebtedness	—	633
Accounts payable	2,215	2,155
Income and premium taxes payable	681	86
Unpaid claims	17,284	16,251
Unearned premiums	15,534	12,524
Provision for Anti-Inflation regulation	—	—
net of income tax	13	876
Deferred income tax provision	2,202	1,822
	37,929	34,347
SHAREHOLDERS' EQUITY		
Preferred Shares	3,955	3,955
Common Shares	936	936
Contributed Surplus	811	811
Retained Earnings	14,969	8,937
	20,671	14,639
	58,600	48,986

AR32



Rapport périodique

30 juin, 1979

A nos Actionnaires

Le revenu net pour le premier semestre 1979 a été de \$3,275,000, alors qu'il avait été de \$2,228,000, pour la même période en 1978. Après déduction des dividendes sur les actions privilégiées, le revenu par action ordinaire pour cette même période en 1979 et en 1978 a été respectivement de \$16,65 et \$11,43.

En comparant le revenu des primes il faut se rappeler qu'au cours du deuxième trimestre 1978 le gouvernement du Québec a rendu nécessaires des ristournes de primes substantielles lorsqu'il a pris en charge la partie des dommages corporels de l'assurance automobile. Si l'on tient compte de l'impact causé par cette intrusion, l'augmentation apparente du volume de primes de cette année est ramenée à un chiffre plus modeste. Le ratio "pertes sur primes acquises" se maintient encore à 55%, ce qui est légèrement moins favorable que pendant la même période en 1978.

A l'intérieur de secteur de l'assurance I.A.R.D., une pratique néfaste s'est présentée: en dépit d'une inflation élevée et continue et de l'accroissement de la fréquence et du coût des sinistres, les agents, courtiers, assureurs et réassureurs, en se concentrant à la recherche du volume en dollars, sont en train de sabrer les taux de primes au point de créer l'incompréhension dans l'esprit des assurés et d'entraîner à l'avenir des résultats de souscription désastreux. Ce paradoxe ne peut prendre fin que par des mesures correctives dans le courant des deux prochaines années. Si les primes d'aujourd'hui sont insuffisantes pour permettre de régler les sinistres de demain, majorés par l'inflation, qui alors paiera la différence?

Comme indiqué dans le rapport périodique précédent, notre compagnie ne peut échapper aux effets de ces problèmes. Cependant, notre personnel compétent et imaginatif est résolu à résister à cette tendance déprimante et à lutter pour maintenir la rentabilité de nos opérations.

Montréal, le 24 juillet, 1979

J. A. Lavigne
Le président

ÉTAT DES BÉNÉFICES Six mois terminés le 30 juin 1979 (Non vérifié)

	1979 (en milliers de \$)	1978 (en milliers de \$)
PRIMES BRUTES SOUSCRITES	20,569	16,173
PRIMES NETTES SOUSCRITES	16,658	12,352
REVENUS		
— Primes acquises	14,944	12,493
— Revenu de placements	1,689	1,557
— Gains sur valeur des actions	566	60
TOTAL DES REVENUS	17,199	14,110
DÉPENSES		
— Sinistres encourus	8,230	6,477
— Commissions, taxes sur primes et dépenses	4,580	4,387
	12,810	10,864
REVENU avant impôts	4,389	3,246
Impôts sur le revenu — courants et reportés	1,481	1,018
REVENU avant poste sous-mentionné	2,908	2,228
Ajustement de provision — Loi fédérale anti-inflation	367	—
BÉNÉFICE NET	3,275	2,228
Bénéfice par action	16,65	11,43
Dividendes payés	40	23
— privilégiée	1,50	6,05
— ordinaire	—	18,49
— provenant du surplus de capital disponible en 1971	—	—

BILAN Au 30 juin 1979 (Non vérifié)

	1979 (en milliers de \$)	1978 (en milliers de \$)
ACTIF		
Encaisse	446	3
Comptes à recevoir	8,326	6,570
Frais payés à l'avance	48	3
Placements (Coût: \$45,954; 1978 \$40,406)	46,522	39,812
(Valeur du marché: \$50,157; 1978 \$41,665)	151	93
Equipement de bureau au coût amorti	3,107	2,505
Frais d'acquisition de primes reportés	58,600	48,986
PASSIF		
Dette à la banque	—	633
Comptes à payer	2,215	2,155
Impôt sur le revenu et taxes sur primes	681	86
Sinistres non réglés	17,284	16,251
Primes non acquises	15,534	12,524
Provision relative aux règlements anti-inflation	13	876
net des impôts	2,202	1,822
Impôts sur le revenu reportés	37,929	34,347
AVOIR DES ACTIONNAIRES		
Actions privilégiées	3,955	3,955
Actions ordinaires	936	936
Surplus d'apport	811	811
Bénéfices non répartis	14,969	8,937
	20,671	14,639
	58,600	48,986